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8  
9 **IN THE UNITED STATES DISTRICT COURT**  
10 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**  
11 **SAN FRANCISCO DIVISION**

12 EON CORP. IP HOLDINGS, LLC,

13 Plaintiff,

14 v.

15 SENSUS USA, INC., ET AL.,

16 Defendants.

Case No. 3:12-cv-01011-JST (EDL)

**SERCOMM'S NOTICE OF MOTION  
AND MOTION TO:**

**1) COMPEL INFRINGEMENT  
CONTENTIONS THAT COMPLY WITH  
PATENT L.R. 3-1; AND,**

**2) FOR A PROTECTIVE ORDER TO  
STAY OR LIMIT CERTAIN DISCOVERY**

Hearing Date: April 30, 2013

Time: 9:30 A.M.

Courtroom: E, 15th Floor

Discovery Matters Referred to United States  
Magistrate Judge Elizabeth D. Laporte

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**NOTICE OF MOTION AND MOTION**

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on April 30, 2013 at 9:30 A.M., or as soon thereafter as this matter may be heard before the Court, located at 450 Golden Gate Ave., San Francisco, CA 94120, Courtroom E, 15th Floor, pursuant to Civil L.R. 37, Patent L.R. 3-1, the reference of all discovery matters to Magistrate Judge Elizabeth D. Laporte (Docket No. 659-1), and Magistrate Judge Laporte's Order Re: Discovery Procedures (Docket No. 573), Defendant SerComm Corporation ("SerComm") moves the Court for the following relief:

- 1) An Order compelling Plaintiff Eon Corp. IP Holdings, LLC ("Eon") to provide infringement contentions that comply with Patent L.R. 3-1; and,
- 2) A Protective Order to stay or limit certain discovery.

Pursuant to Civ. L.R. 37-1 the parties have conferred regarding the present dispute and are unable to resolve their differences.<sup>1</sup>

This Motion is based upon this Notice of Motion, the Memorandum of Points and Authorities, the Declaration of Robert A. Gutkin, and any such argument and evidence that may be presented at any hearing concerning this matter.

**I. ISSUES PRESENTED**

This Motion addresses the following issues:

- 1) Eon has not provided infringement contentions/disclosures that comply with Patent L.R. 3-1. The boilerplate statements in Eon's infringement contentions fail to show where in each accused product, each element of each asserted claim can be found. Moreover, Eon fails

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<sup>1</sup> A statement of the parties meet and confer efforts, as required by Magistrate Judge Laporte's Order Re: Discovery Procedures, is set forth in the concurrently filed Declaration of Robert A. Gutkin in Support of Motion ("Gutkin Decl").

1 to satisfy the requirements for disclosing indirect infringement for each accused product. Until  
 2 Eon provides the required disclosures, SerComm should not be forced to locate and produce  
 3 documents about products that have not been properly addressed by Eon, or in some cases not  
 4 even mentioned in Eon's Patent L.R. 3-1 infringement contentions.

5  
 6 2) Eon's Third Set of Requests for Production to SerComm, defines "Accused  
 7 Components" to include SerComm products sold since 2004, and thus demands that SerComm  
 8 produce documents for SerComm products sold since 2004.<sup>2</sup> Yet, SerComm is only accused of  
 9 indirect infringement, both contributory and induced infringement. It is black letter law for  
 10 indirect infringement that the accused infringer must at least be aware of the patent at issue, even  
 11 ignoring the other requirements such as that the defendant specifically intended their customers  
 12 to infringe the patent; and, that the defendant knew that the customer's acts constituted  
 13 infringement. *See In re Bill of Lading Transmission & Processing Sys. Patent Litig.*, 681 F.3d.  
 14 1323, 1339 (Fed. Cir. 2012); *see also Bascom Research LLC v. Facebook, Inc.*, No. C 12-6293  
 15 SI; Related Cases C 12-6294 SI; C 12-6297 SI (N.D. Cal. Mar. 12, 2013) at Docket No. 71, page  
 16 6 (In cases where knowledge of the patent is established through filing of the complaint "the  
 17 claim for induced infringement is limited to post-filing conduct.")  
 18

19  
 20 In the present case, SerComm has stated in response to Eon's discovery that SerComm  
 21 had no awareness of U.S. Patent No. 5,592,491 (the "'491 Patent") until this lawsuit, which was  
 22 filed in 2010. Gutkin Decl., Exhibit "K". SerComm should not be required to locate and produce  
 23 documents that precede SerComm's awareness of the '491 Patent by six years. The Requests  
 24 drafted by Eon that seek documents and information for SerComm products sold as early as 2004  
 25  
 26

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27 <sup>2</sup> Attached to the Gutkin Declaration as Exhibits "A" and "B" are true and correct copies of  
 28 Eon's Third Set of Requests for Production to SerComm and SerComm's Response.

1 are unnecessarily burdensome and oppressive, and not reasonably calculated to lead to the  
2 discovery of admissible evidence.

3 **II. RELIEF REQUESTED**

4 SerComm respectfully requests that this Court enter an Order that limits Eon's discovery  
5 as follows:

6  
7 1) An Order that Eon comply with Patent L.R. 3-1, and staying any discovery to  
8 SerComm concerning accused products that have not been properly addressed by Eon in its  
9 infringement contentions, including:

10 AD1006 11N Wireless ADSL Gateway;

11 Cable RG Cable Residential Gateway;

12 FR1088BR Triple-Play Residential Gateway;

13 IP1006GR 11N Wireless Gigabit Gaming Router;

14 IP1006RRv2 11N Wireless BroadBand Router;

15 IP1006SR150N Wireless BroadBand Router;

16 AP101nA 11N Wireless Access Point; and,

17 IP1016GRv2 Modem<sup>3</sup>; and,

18  
19 2) A Protective Order limiting Eon's definition of "Accused Components" in its  
20 Third Set of Requests for Production to products sold in the U.S. after the filing date of the  
21 present action.  
22  
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27 <sup>3</sup> As discussed below, most of these accused "products" were not offered for sale at all, or were  
28 not sold in the US.

1  
2  
3 **MEMORANDUM OF POINTS AND AUTHORITIES**

4 **I. INTRODUCTION**

5 SerComm seeks relief from Eon's abuse of the discovery process. In its most recent  
6 discovery, Eon's Third Set of Requests for Production to SerComm, Eon seeks documents and  
7 information concerning SerComm products that have not been properly addressed in Eon's  
8 Patent Local Rule 3-1 infringement contentions. Eon has not provided the level of required  
9 specificity in its infringement contentions by identifying where each element of each asserted  
10 claim can be found in each accused product. Patent L.R. 3-1(c). Instead of specificity, Eon  
11 relies upon generalized references to a "Typical Two-Way Communications Network" to attempt  
12 to satisfy its disclosure requirements. Such generalized references do not come close to  
13 satisfying the specific disclosure requirements of the Patent Local Rules for Rule 3-1(c) and (d).  
14 Yet, in numerous document requests, Eon seeks discovery about broad categories of SerComm  
15 products that are not specifically addressed in infringement contentions, or in some cases even  
16 mentioned in the contentions.

17 Eon accuses SerComm of indirect infringement, but fails to explain how SerComm has  
18 induced infringement and is subject to contributory infringement. In order to be subject to  
19 claims for indirect infringement, an accused infringer must at a minimum be aware of the patent  
20 at issue, in addition to the other requirements. SerComm has clearly stated in discovery  
21 responses that it was unaware of the '491 Patent prior to the filing of the present action in 2010.  
22 Yet, Eon demands documents that precede the filing of the present action by 6 years and go back  
23  
24  
25  
26  
27  
28



1 to the date the patent issued in 2004. EON's overreaching document demands are contrary to  
 2 well settled law since only indirect infringement is alleged.<sup>4</sup>

## 3 II. RELEVANT FACTS

### 4 A. SerComm

5 As set forth on SerComm's Webpage:

6  
 7 Sercomm Corporation is a worldwide leading manufacturer of broadband and wireless  
 8 networking equipments. Founded in 1992, Sercomm has been focusing on developing  
 9 embedded solutions to make networking simple and affordable. With fully integrated  
 10 engineering capability and state-of-the-art manufacturing facility, Sercomm has been able  
 to provide the best time-to-market solutions to the customers, and managed to grow  
 exponentially in the past decade.

11 Gutkin Decl., Exhibit "L".

12 SerComm is based in Taiwan and makes products for Broadband Access, Home  
 13 Connectivity, Networking Appliances, IP Surveillance & Home Security and IP Communication.  
 14 SerComm's products include modems, routers, gateways, IP Cameras and video servers.

### 15 B. Eon

16 According to the allegations in the Second Amended Complaint, Eon is a Texas limited  
 17 liability company with its principal place of business in Tyler, Texas. Second Amended  
 18 Complaint ¶ 1. Eon states that it owns the '491 Patent. Second Amended Complaint ¶ 21. Eon  
 19 is a non-practicing entity or "NPE".  
 20

### 21 C. The '491 Patent

22 The '491 Patent concerns "A system and method for communicating between local  
 23 subscriber units and a local base station repeater cell in a two way communication interactive  
 24 video network". '491 Patent Abstract. According to the '491 Patent Disclosure of the Invention:  
 25

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26 <sup>4</sup> Eon's abuse of the discovery process continues with its refusal to acknowledge that staple  
 27 articles of commerce (modems, routers and access points) that have substantial non-infringing  
 28 uses, cannot be subject to claims of contributory infringement.

1 “It is therefore an object of the present invention to provide a system to enable  
 2 communications between a subscriber unit and a local base station repeater cell in areas  
 3 where such communication has previously been impaired, which does not require the  
 4 addition of numerous costly local station repeater cells, which is not dependent on  
 5 the physical location of the subscriber unit, and which does not significantly increase the  
 6 cost of communication within the inter- active two-way broadcast data service network.”  
 7

8 **D. The Accused SerComm Products**

9 In Exhibit F to its Patent L.R. 3-1 Disclosures, Eon identifies the following SerComm  
 10 products as indirectly infringing the ‘491 Patent:

- 11 (1) AD1006 11N Wireless ADSL Gateway
- 12 (2) Cable RG Cable Residential Gateway
- 13 (3) FR1088BR Triple-Play Residential Gateway
- 14 (4) IP1006GR 11N Wireless Gigabit Gaming Router
- 15 (5) IP1006RRv2 11N Wireless BroadBand Router
- 16 (6) IP1006SR150N Wireless BroadBand Router
- 17 (7) AP101nA 11N Wireless Access Point
- 18 (8) IP1016GRv2 Modem
- 19
- 20

21 Gutkin Decl., Exhibit “H”.<sup>5</sup>

22 While SerComm has provided discovery responses and documents for those accused  
 23 femtocell products sold in the US, the above eight accused products are not femtocell products.  
 24

25  
 26 <sup>5</sup> Attached to the Gutkin Declaration as Exhibits “H” and “I” are true and correct copies of Eon’s  
 27 Amended Patent Local Rule 3-1 and 3-2 Disclosures and their referenced Exhibits F and P  
 28 thereto.

Moreover, the above accused “products” that are underlined and in italics, were never made as products or were not sold in the US.<sup>6</sup> The above remaining three accused products, which are standard modems, routers and gateways, all have substantial non-infringing uses since they are made to connect devices such as tablets, laptops, desktop computers to the internet using a Wi-Fi connection.

#### **E. Eon’s Infringement Contentions**

In its Amended Patent Disclosures, Eon lists the claims asserted against SerComm at p. 4, as well as non-specific allegations of indirect infringement at p. 8. Gutkin Decl., Exhibit “G”. Eon’s Exhibit F is titled “Sercomm Claim Chart for Infringement of US Patent No., 5,592,491”, and purports to list the elements of the asserted patent claims, and where each element can be found in each accused product. Gutkin Decl., Exhibit “H”. Exhibit P is titled “Chart of Typical Two-Way Communication Network of US Patent No. 5,592,491”, and purports to show a number of exemplary networks which are alleged to satisfy certain elements of each asserted claim. Gutkin Decl., Exhibit “I”.

Eon’s infringement contentions fail to: 1) compare each accused SerComm product on an element by element basis to the asserted claims; 2) explain how SerComm has induced infringement of each product; 3) explain how each product is subject to contributory infringement; and, 4) explain how the products are used to directly infringe the ‘491 Patent. The flaws with Eon’s disclosures and the accompanying exhibits are apparent from merely looking at

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<sup>6</sup> SerComm has advised Eon of this fact in its discovery responses. Gutkin Decl., Exhibit “B” (FR1088BR Triple-Play Residential Gateway, IP1006GR 11N Wireless Gigabit Gaming Router, IP1016GRv2 Modem, IP1006SR150N Wireless BroadBand Router, and AP101nA 11N Wireless Access Point).

Eon's disclosures and trying to locate those places in the documents in which the accused products are even mentioned, let alone discussed, and explained as allegedly infringing devices.

#### F. Eon's Discovery Requests

In addition to the problems with Eon's infringement contentions, Eon's Requests seek extensive documents and information about accused products that predate SerComm's awareness of the '491 patent by six years. The "Definitions and Instructions" to Eon's Third Set of Requests for Production defines "Accused Component" as follows:

5. "Accused Component" means any component of an accused infringing system identified in EON's infringement contentions, including all access points (e.g., AP101nA 11n), wireless routers (e.g., IP101GRv2), and residential gateways (e.g., FR1088BR) and other device with similar functionality to support two-way communications between subscribers and mobile core networks made, used, sold, offered for sale, or imported by Sercomm since October 22, 2004.

Gutkin Decl., Exhibit "A".

Through its use of the term "Accused Component" in nearly every request:

- Eon seeks discovery that predates SerComm's awareness of the patent at issue, and thus the possibility of SerComm's alleged indirect infringement, by more than six years; and,
- Eon has improperly broadened the definition of "Accused Component" to attempt to cover products that are not even mentioned in the infringement contentions (e.g. "and other device with similar functionality").

Eon seeks even broader discovery in specific requests concerning categories of SerComm products that are not even defined as an "Accused Component" or mentioned in Eon's infringement contentions, including:

#### REQUEST FOR PRODUCTION NO. 34:

Please produce contracts between YOU and any Defendant(s) or third party pertaining to wireless access points, hotspot networks, and mobile hotspots.

REQUEST FOR PRODUCTION NO. 45:

Please produce documents provided to or prepared for YOUR customers in the United States, including advertisements, marketing presentations, reports, and studies relating to the use of Wi-Fi access points, femtocells, and mobile hotspots to extend and/or improve the coverage or capacity of any cellular network.

REQUEST FOR PRODUCTION NO. 48:

Please produce training manuals, programs, materials, and presentations provided to or prepared by YOUR employees concerning Wi-Fi technology, femtocell technology, dual-mode technology, radiofrequency communication technology, or cellular network technology.<sup>7</sup>

REQUEST FOR PRODUCTION NO. 51:

Please produce documents and letters submitted to the Federal Communications Commission ("FCC") regarding femtocells, microcells, Wi-Fi, dual-path products, spectrum shortage, capacity limitations, coverage problems, and the growth of cellular networks (including CDMA and LTE networks).

REQUEST FOR PRODUCTION NO. 73:

Please produce all documents showing any sales or offers of sale of any product to any other Defendant in this case.

III. ARGUMENT

A. EON'S INFRINGEMENT CONTENTIONS DO NOT COMPLY WITH PATENT LOCAL RULE 3-1 REQUIREMENTS

Eon accuses SerComm of indirect infringement of the claims 5, 7, 9, 17, 18, 19, 21, and 23 of the '491 Patent. Yet, Eon does little more than provide generalized statements about how the accused SerComm products are subject to indirect infringement. Eon's language, whether in its Amended Disclosure, Exhibit F, or Exhibit P, fails to come close to complying with the Local

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<sup>7</sup> The parties appear to have reached an agreement with respect to this request by limiting the request to femtocell training manuals, and SerComm has produced those training manuals in its possession pertaining to femtocells.

Patent Rule 3-1 requirements of an element by element analysis of each accused product, and the specificity for alleging indirect infringement.

### 1. Contributory Infringement

Eon accuses SerComm products of contributory infringement. Gutkin Decl., Ex. "G". "Contributory infringement occurs if a party sells or offers to sell, a material or apparatus for use in practicing a patented process, and that 'material or apparatus' is material to practicing the invention, has no substantial non-infringing uses, and is known by the party 'to be especially made or especially adapted for use in an infringement of such patent'. *In re Bill of Lading*, 681 F.3d at 1337; *Fujitsu Ltd. v. NETGEAR Inc.*, 620 F.3d 1321, 1326 (Fed. Cir. 2010); *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1312 (Fed. Cir. 2005). In the context of a claim of contributory infringement under § 271(c), a substantial non-infringing use is any use that is "not unusual, far-fetched, illusory, impractical, occasional, aberrant, or experimental." *Vita-Mix Corp. v. Basic Holding, Inc.*, 581 F.3d 1317, 1327-29 (Fed. Cir. 2009).

### 2. Induced Infringement

Eon also accuses SerComm products of induced infringement. Gutkin Decl., Exhibit "G". "Whoever actively induces infringement of a patent shall be liable as an infringer." 35 U.S.C. § 271(b). To be liable as an inducer of infringement, a defendant must have: (1) knowledge that the induced act constitutes patent infringement; and, (2) a specific intent to encourage another's infringement. *In re Bill of Lading*, 681 F.3d at 1339 (citing *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068 (2011)); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1306 (Fed. Cir. 2006). Where a device is suitable for "substantial noninfringing use," plaintiff must show that the defendant "intended that the article be used for direct infringement." *Ricoh Co., Ltd. v. Quanta Computer Inc.*, 550 F.3d 1325, 1341 (Fed. Cir. 2008) (citing *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 935 (2005)).

### **3. Patent Local Rule 3-1**

Patent Local Rule 3-1 expressly requires that Eon must specifically identify:

(b) Separately for each asserted claim, each accused apparatus, product, device, process, method, act, or other instrumentality (“Accused Instrumentality”) of each opposing party of which the party is aware. This identification shall be as specific as possible. Each product, device, and apparatus shall be identified by name or model number, if known...

(c) A chart identifying specifically where each limitation of each asserted claim is found within each Accused Instrumentality...

(d) For each claim which is alleged to have been indirectly infringed, an identification of any direct infringement and a description of the acts of the alleged indirect infringer that contribute to or are inducing that direct infringement...

Patent L.R. 3-1(b), (c) and (d). Rule 3-1 requires “specific identification of particular accused products” and does “not tolerate broad categorical identifications... nor ... the use of mere representative examples.” *Oracle America v. Google Inc.*, No. C 10-03561 WHA, 2011 WL 4479305, at \*2 (N.D. Cal. Sep. 26, 2011).<sup>8</sup>

“The overriding principle of the Patent Local Rules is that they are designed [to] make the parties more efficient, to streamline the litigation process, and to articulate with specificity the claims and theory of a plaintiff’s infringement claims.” *Intertrust Techs. Corp. v. Microsoft Corp.*, No. C 01-1640 SBA, 2003 U.S. Dist. LEXIS 22736 at \*6 (N.D. Cal. Nov. 26, 2003). The infringement contentions must do more than merely repeat the language of the patent and state that the product infringes, they must explain how each limitation is met by each product, and

<sup>8</sup> Eon propounds broad requests that seek documents relating to all wireless access points, hotspot networks, mobile hotspots, Wi-Fi access points, Wi-Fi technology, femtocell technology, dual-mode technology, radiofrequency communication technology, cellular network technology, microcells, Wi-Fi, dual-path products, and even the sale of any products (relevant or not), sold to any other defendant in the action. *See supra* discussion. Eon's discovery is grossly overbroad and unfair in view of its defective infringement contentions. Eon's contentions merely show examples of cellular networks, but do not show that SerComm's products are even used in those exemplary networks, or that SerComm induces others to use its products in those networks. This lack of specificity is very troubling since SerComm has not sold *any* products to the only two network carriers named as defendants in this lawsuit.

1 compare the product on an element by element basis to the asserted claims. *Intertrust*, at \*7  
 2 (citing *Network Coaching Tech., LLC v. Novell, Inc.*, No. C-01-2079-VRW, 2002 U.S. Dist.  
 3 LEXIS 26098, 2002 WL 32126128 at \*5 (N.D. Aug. 13, 2002)).

4 At the Patent Local Rule 3-1 Disclosure stage, a plaintiff must put forth information so  
 5 specific that either reverse engineering or its equivalent is required.

6 *Id.* At \*7.

7 [T]he Patent Local Rules place the burden on Plaintiff to provide infringement  
 8 contentions that specify the location of every claim element within the accused products.

9 *Bender v. Freescale Semiconductor, Inc.*, No. C 09-1156 PHJ (MEJ), 2010 WL 1689465 at \*4  
 10 (N.D. Cal., Apr. 26, 2010); see also *Renesas Tech. Corp. v. Nanya Tech. Corp.*, Case No. C 03-  
 11 05709 JF (HRL), 2004 U.S. Dist. LEXIS 23601, at \*17 (N.D. Cal. Nov. 10, 2004); and see  
 12 *Kelora Sys., LLC v. Target Corp.*, No. C 11-01548 CW (LB), 2011 WL 5444419, at \*2 (N.D.  
 13 Cal., 2011). As in *Shared Memory Graphics LLC v. Apple Inc.*, 812 F. Supp. 2d 1022, 1026  
 14 (N.D. Cal. Dec. 30, 2010) plaintiff's disclosures in this matter are "too vague to provide fair  
 15 notice as to what [portions] of the accused products infringe their patents".

17 For allegations of indirect infringement, Eon must disclose how exactly it believes  
 18 SerComm indirectly infringes the '491 Patent. In *Creagri, Inc. v. PinnacLife Inc., LLC*, No. 11-  
 19 cv-06635-LHK-PSG, 2012 U.S. Dist. LEXIS 158540 at \*15-16, (N.D. Cal. Nov. 2, 2012), the  
 20 Court stated:

21  
 22 Throughout its '599 Patent infringement contentions, Creagri adds boilerplate language  
 23 alleging PinnacLife engaged in indirect and contributory infringement, such as "advising  
 24 others to use the . . . product in an infringing manner; advertising and promoting the use .  
 25 . in an infringing manner; and distributing instructions, scientific papers, and videos that  
 guide customers to use the . . . product in an infringing manner." Creagri fails to identify  
 what advertisements and instructions lead to what infringing behavior.

26 Eon similarly does not provide any specificity in its infringement contentions as to how  
 27 SerComm products are subject to contributory infringement and induced infringement. Instead,



1 Eon sets forth vague boilerplate language. Such language has previously been found insufficient  
 2 for purposes of satisfying the obligations under the Local Rules.

3 In *Fujitsu Ltd. v. Belkin Int'l, Inc.*, Case No.: 10-CV-03972-LHK, 2012 U.S. Dist. LEXIS  
 4 142102, at \*26-27 (N.D. Cal., Sept. 28, 2012), the Court further discussed the requirements for  
 5 disclosing indirect infringement:  
 6

7 Under the Patent Local Rules of this District, a patentee's Infringement Contentions must  
 8 identify the alleged third-party direct infringers in order to allege indirect infringement.  
 9 See Patent L.R. 3-1(d); see, e.g., *Life Techs. Corp. v. Biosearch Techs., Inc.*, No. 12-  
 10 00852, 2012 U.S. Dist. LEXIS 69976, 2012 WL 1831595, at \*1 (N.D. Cal. May 18,  
 11 2012) (granting patentee's motion to amend infringement contentions to add the newly  
 12 discovered identities of alleged direct infringers for purposes of alleging indirect  
 13 infringement, which was necessary in order for patentee to comply with this District's  
 14 Local Patent Rules); *Bender v. Maxim Integrated Prods., Inc.*, No. 09-01152, 2010 U.S.  
 15 Dist. LEXIS 32115, 2010 WL 1135762, at \*3 (N.D. Cal. Mar. 22, 2010) (plaintiff failed  
 to comply with Patent Local Rule 3-1(d) where plaintiff's infringement contentions did  
 not specify any third party and did not describe any acts committed by a third party that  
 would suggest direct infringement). The Court agrees with Defendants that Fujitsu was  
 required to identify these third-party cards in its Infringement Contentions, so as to put  
 Defendants on notice of the alleged direct infringement supporting Fujitsu's claims of  
 indirect infringement.

16 See also *Bender v. Maxim Integrated Prods.*, 2010 U.S. Dist. LEXIS 32115, at \*8 (N.D. Cal.  
 17 Mar. 22, 2010) ("Plaintiff's infringement contentions for the indirect infringement claim are also  
 18 inadequate. Patent L.R. 3-1(d) requires that "[f]or each claim which is alleged to have been  
 19 indirectly infringed, an identification of any direct infringement and a description of the acts of  
 20 the alleged indirect infringer that contribute to or are inducing that direct infringement.") and  
 21 see *Cal. Inst. of Computer Assisted Surgery, Inc. v. Med-Surgical Servs., Inc.*, No. 4:10-CV-  
 22 05067 CW, 2011 U.S. Dist. LEXIS 154627, at \*8 (N.D. Cal. Sept. 1, 2011) ("CICAS'  
 23 contentions of indirect infringement fail to comply with the text and purpose of Patent Local  
 24 Rule 3-1(d), which requires '[f]or each claim which is alleged to have been indirectly infringed,  
 25 an identification of any direct infringement and a description of the acts of the alleged indirect  
 26 infringer that contribute to or are inducing that direct infringement.' Because CICAS does not  
 27  
 28

1 describe how Defendants' customers infringed the patents in suit, which claims they infringed, or  
 2 how Defendants induced that infringement, its contentions are deficient").

3 Eon's infringement contentions do not identify direct infringement by any third party; do  
 4 not describe any acts committed by a third party that would suggest direct infringement; fail to  
 5 specify how SerComm has induced infringement of any third party; or otherwise provide any  
 6 analysis as to why SerComm products should be subject to indirect infringement, whether by  
 7 inducement or contributory infringement.  
 8

9 **B. SERCOMM WAS UNAWARE OF THE '491 PATENT PRIOR TO**  
 10 **THIS LAWSUIT, AND THEREFORE EON'S DEFINITION OF**  
 11 **"ACCUSED COMPONENTS" TO INCLUDE PRODUCTS THAT**  
 12 **PRECEDE THE FILING OF THE ACTION BY SIX YEARS IS**  
 13 **IMPROPER**

14 In addition to failing to satisfy Patent L.R. 3-1 requirements, Eon has propounded overly  
 15 broad and oppressive discovery by defining "Accused Component" as products "made, used,  
 16 sold offered for sale, or imported by SERCOMM since October 22, 2004", Eon seeks documents  
 17 that precede the earliest possible indirect infringement by six years.

18 Under 35 U.S.C. §§ 271(b) and 271(c), a defendant's conduct—inducing or contributing  
 19 to another's direct infringement— must occur after the defendant knew: (1) of the patent(s) in  
 20 suit; and (2) that the direct-infringers' acts constitute patent infringement. *Global-Tech*  
 21 *Appliances, Inc.*, 131 S. Ct. at 2068 (interpreting "knowing" requirement for inducing  
 22 infringement claim under 35 U.S.C. § 271(b)); *DSU Med. Corp.*, 471 F. 3d at 1305; *HSM*  
 23 *Portfolio LLC v. Fujitsu Ltd.*, No. 11-770, 2012 WL 2580547, at \*1 (D. Del. July 3, 2012)  
 24 ("Stating that the defendant was on notice of a patent as of a certain date is insufficient to  
 25 provide a factual basis for alleging knowledge."); *DR Sys., Inc. v. Avreo, Inc.*, No. 11-CV-0932  
 26 BEN (WVG), 2012 WL 1068995, at \*3-4 (S.D. Cal. Mar. 29, 2012) (dismissing contributory  
 27 infringement claim because the complaint failed to allege facts sufficient to show that the  
 28

defendant had knowledge of the patent-in-suit); *and see supra* discussion of *Bascom Research LLC*, No. C 12-6293 SI; Related Cases C 12-6294 SI; C 12-6297 SI (N.D. Cal. Mar. 12, 2012) at Docket No. 71, page 6.

In *Global-Tech Appliances, Inc.* 131 S. Ct. at 2065, the US Supreme Court considered the requirements for induced infringement and clarified the intent requirement under 35 U.S.C. § 271(b), which states that “[w]hoever actively induces infringement of a patent shall be liable as an infringer.” The Court rejected the Federal Circuit’s standard that allowed liability where there is deliberate indifference to a known risk of infringement. Instead, the Court found that induced infringement under § 271(b) required knowledge that the induced acts constitute patent infringement. The Court upheld the Federal Circuit’s judgment of induced infringement, concluding that there was sufficient evidence to support a finding of knowledge under the doctrine of willful blindness. Based on evidence that certain patented features were copied by the defendant from an overseas model of a fryer, the Court found sufficient evidence for a jury to find that the defendant subjectively believed there was a “high probability” that plaintiff’s fryer was patented and took “deliberate steps to avoid knowing that fact,” therefore willfully blinding itself to the infringing nature of its actions.

In response to Eon’s Special Interrogatory No. 1, SERCOMM stated as follows:

**SPECIAL INTERROGATORY NO. 1:**

Describe in detail the circumstances under which You first became aware of the Patent-in-Suit, including the Date on which You first became aware of the Patent-in-Suit, the Circumstances under which You first became aware of the Patent-in-Suit, and Identification of the Persons with knowledge of the circumstances under which You first became aware of the Patent-in-Suit.

**RESPONSE TO SPECIAL INTERROGATORY NO.1:**

SERCOMM incorporates the general and specific objections set forth above, which are not waived by this response. Subject to and without waiving the foregoing general and specific objections, SERCOMM responds as follows:

SERCOMM's office in Fremont, California received a copy of the Summons and Complaint on or about November 10, 2010. Prior to service, on October 27, 2010, SERCOMM's Taiwan office received a communication from an attorney with the Fish and Richardson firm, Nancy L. Stagg. Ms. Stagg inquired as to whether SERCOMM would be interested in retaining her firm to represent the Company in litigation that had just been filed. A copy of the Complaint and the Case Docket were sent to SERCOMM. SERCOMM does not believe that the copy of the Complaint that it received included a copy of the patent.

Gutkin Decl., Exhibit "K". **Based on the above response, SERCOMM did not have knowledge of the '491 Patent until at the earliest either October or November of 2010.**

In the present case, Eon has not set forth in its disclosures a single fact to support any claim that prior to the filing of the present action, SerComm had any awareness (actual or "willful blindness") of the '491 Patent, or that prior to filing the present action SerComm even had any knowledge of the Plaintiff. Moreover, Eon is a non-practicing entity and there is nothing that SerComm could have copied from Eon in its manufacture of the products that are accused of indirect infringement. Under the present circumstances, Eon should limit its discovery requests to the actual time period at issue, *after* SerComm became aware of the patent (which at the earliest could only be the filing of the lawsuit).

**C. EON'S REQUESTS FOR DOCUMENTS AND INFORMATION ABOUT SERCOMM PRODUCTS SHOULD BE STAYED.**

Eon's refusal to comply with its Local Rule 3-1 requirements places an unfair burden upon SerComm. The disclosures under L.R. 3-1 are supposed to provide SerComm with notice of the facts that support the allegations of infringement, and "takes the place of a series of interrogatories that defendants would likely have propounded had the patent local rules no provided for streamlined discovery." *Intertrust Techs. Corp.*, 2003 U.S. Dist. LEXIS at \*3-4. (citation and quotation marks omitted); *accord Bender*, 2010 WL 1689465, at \*2.

1           Until Eon satisfies its burden of providing infringement contentions that comply with  
 2 Patent Local Rule 3-1, SerComm should not be forced to respond to Eon's discovery. This is the  
 3 precise remedy that the Court has followed in other cases to insure compliance with the  
 4 disclosure requirements, and prevent fishing expeditions to compensate for inadequate pre-filing  
 5 investigations. Courts in the Northern District will stay discovery until the plaintiff has met its  
 6 obligations under Patent Local Rule 3-1. *Implicit Networks, Inc. v. Hewlett-Packard Co.*, No.  
 7 10-3746 SI, 2011 WL 3954809, at \*4, (N.D. Cal. Sept. 7, 2011); *and see Network Caching Tech.*  
 8 *LLC v. Novell, Inc.*, No. C-01-2079-VRW, 2002 WL 32126128 at \*3-4 (N.D. Cal. Aug. 13,  
 9 2002); *see also Shared Memory Graphics, LLC v. Apple, Inc.*, No. 10-2475 MMC (JSC), 2011  
 10 WL 3878388, at \*7 (N.D. Cal. Sept. 2, 2011) (holding that prior to service of adequate  
 11 infringement contentions, defendants not required to "show their hand" by responding to  
 12 discovery that would reveal whether particular limitations are found in each accused device).  
 13  
 14

#### 15           IV. CONCLUSION

16           For all of the above reasons and the supporting evidence, SerComm respectfully requests  
 17 that the Court issue:

- 18           1) An Order that Eon comply with Patent L.R. 3-1, and staying any discovery on
- 19 SerComm concerning accused products that have not been properly identified by Eon in
- 20 its infringement contentions, including but not limited to:

21                   AD1006 11N Wireless ADSL Gateway;

22                   Cable RG Cable Residential Gateway;

23                   FR1088BR Triple-Play Residential Gateway;

24                   IP1006GR 11N Wireless Gigabit Gaming Router;

25                   IP1006RRv2 11N Wireless BroadBand Router;

26                   IP1006SR150N Wireless BroadBand Router;

1 AP101nA 11N Wireless Access Point; and,

2 IP1016GRv2 Modem; and,

3 2) A Protective Order limiting Eon's definition of "Accused Components" in its  
4 Third Set of Requests for Production to products after the filing date of the present action.  
5

6  
7 Dated: March 25, 2013

8 Respectfully submitted,

9 ANDREWS KURTH LLP

10 By: /s/ Robert A. Gutkin  
11 Robert A. Gutkin (#119781)

12 Attorneys for Defendant SerComm Corporation  
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**CERTIFICATE OF SERVICE  
PURSUANT TO GENERAL ORDER NO. 45**

I hereby certify that counsel of record who are deemed to have consented to electronic service are being served this 25th day of March, 2013, with a copy of this document via the Court's CM/ECF system per General Order No. 45.

/s/ Robert A. Gutkin

Robert A. Gutkin

Attorney for Defendant SerComm  
Corporation